



MULTIFAMILY PROPERTY TAX EXEMPTION PROGRAM

Report Period: September 1, 2012 – December 31, 2012

Submitted January 31, 2013

Ordinance 123550, adopted by City Council on February 28, 2011, requires the Office of Housing to submit Multifamily Property Tax Exemption (MFTE) progress reports to City Council three times per year. The reports are due January 31, May 31 and September 30 of each year, with each report to cover the prior four-month period. The ordinance also specifies the content for each report, as follows:

- The number of applications approved and locations of the projects described in approved application,
- The number, size and affordability of units in the projects described in the approved applications,
- The rent and sales prices of the affordable and market rate units,
- The estimated total amount of tax exempted annually and cumulatively (total exemption if taken for the full 12 year period) for individual projects,
- The estimated annual impact of each project on the average individual homeowner in the City, and
- Information about any pending applications received by the Office of Housing.

PROJECT APPROVALS 9/1/12 – 12/31/12:

Between September 1 and December 31, 2012, developers submitted and received Office of Housing approval for ten MFTE program applications. All of these projects are rental developments and will include 1,066 total units; the developers have committed that rents charged for 289 of these units will meet the MFTE program's affordability standards. Of these units, two will be restricted as required by code because they will replace demolished units on site, and another 88 are restricted at 60% of the Area Median Income due to other public funding sources in the project. The remaining 199 units are rent-restricted by the MFTE program alone.

Brief descriptions of each project are provided below; attached is a table including more detailed information on unit size, projected rent levels, and tax impacts. The map on the final page of this report shows project locations.

- ❖ **Franklin Studios** – this project is located in the Eastlake residential targeted area at 2731 Franklin Avenue East.
 - Developer: Kelton Johnson
 - Residential Units: 39
 - Mix: Studios
 - Restricted affordable units: 8
 - Construction is expected to be complete by August 2013.

- ❖ **Cortena** – this project is located in the Capitol Hill residential targeted area at 227 Boylston Avenue East.
 - Developer: Gary Mulhair
 - Residential Units: 34
 - Mix: Studios
 - Restricted affordable units: 7
 - Construction expected to be complete April 2013

- ❖ **Venetia** – this project is located in the University District – NW residential targeted area at 4324 and 4328 8th Avenue NE.
 - Developer: Gary Mulhair
 - Residential Units: 50
 - Mix: Studios
 - Restricted affordable units: 10
 - Construction is expected to be complete in April 2013

- ❖ **Holgate Apts**– this project is located in the North Beacon Hill residential targeted area at 1812 12th Avenue South.
 - Developer: Marc Rudd
 - Residential Units: 22
 - Mix: Studios, 1-bedroom and 2-bedroom units.
 - Restricted affordable units: 5
 - Construction is estimated to be complete in December 2013

- ❖ **AMLI Bargreen** – this project is located in the South Lake Union residential targeted area at 1260 Republican Street.
 - Developer: AMLI Residential Partners
 - Residential Units: 175
 - Mix: Studios, 1-bedroom and 2-bedroom units
 - Restricted affordable units: 35
 - Construction is expected to be complete in April 2014

- ❖ **525 Northgate** – this project is located in the 525 Northgate residential targeted area at 525 NE Northgate Way.
 - Developer: Wallace GT- Northgate II, LLC
 - Residential Units: 265
 - Mix: Studios, 1 bedroom and 2 bedroom units
 - Restricted affordable units: 54
 - Construction is expected to be complete in September 2014

- ❖ **12th Avenue Arts** – this project is located in the Pike/Pine residential targeted area at 1620 12th Avenue.
 - Developer: Capitol Hill Housing
 - Residential Units: 88
 - Mix: Studios, 1 bedroom and 2 bedroom units
 - Restricted affordable units: 88 (OH Levy funding in the project)
 - Construction is expected to be complete in August 2014.

- ❖ **Roosevelt Townhomes** – this project is located in the Roosevelt residential targeted area at 6313-6321 15th Avenue NE.
 - Developer: Roosevelt Development Group
 - Residential Units: 12
 - Mix: 2 and 3 bedroom units
 - Restricted affordable units: 3
 - Construction is expected to be complete in February 2013

- ❖ **Velo Apartments** – this project is located in the Fremont residential targeted area at 3643-3653 Woodland Park Avenue North.
 - Developer: Harbor Urban
 - Residential Units: 165
 - Mix: Studios, 1 bedroom and 2 bedroom units
 - Restricted affordable units: 35; 33 restricted at MFTE levels and 2 restricted at 50% AMI as replacement housing.
 - Construction is expected to be complete in September 2014

- ❖ **Spruce** – this project is located in the West Seattle Junction residential targeted area at 3922 SW Alaska Street.
 - Developer: 3922 SW Alaska LLC
 - Residential Units: 216
 - Mix: Studios, 1-bedroom and 2-bedroom units
 - Restricted affordable units: 44
 - Construction is expected to be complete in July 2014

Maximum Estimated Amount of Tax Exempted (See NOTE below)					
	Annual			Cumulative (12 year period)	
	City Portion	Total	Estimated Tax Shift	City Portion	Total
Franklin Studios	\$3,887	\$12,077	\$0.01	\$49,288	\$153,169
Cortena	\$4,252	\$13,215	\$0.01	\$53,930	\$167,593
Venetia	\$5,888	\$18,297	\$0.02	\$76,672	\$232,052
Holgate Apts	\$14,720	\$45,743	\$0.05	\$186,680	\$580,129
AMLI Bargreen	\$80,575	\$250,395	\$0.25	\$1,021,981	\$3,175,641
525 Northgate	\$91,228	\$283,502	\$0.28	\$1,157,002	\$3,595,513
12 th Ave Arts	\$37,060	\$115,169	\$0.11	\$470,019	\$1,460,637
Roosevelt Townhomes	\$3,271	\$10,165	\$0.01	\$41,484	\$128,918
Velo Apts	\$63,785	\$198,218	\$0.20	\$808,947	\$2,513,894
Spruce	\$138,196	\$429,460	\$0.42	\$1,752,674	\$5,446,632
TOTALS	\$442,862	\$1,376,241	\$1.36	\$5,616,588	\$17,454,178

Notes:

- City Portion denotes maximum estimated shift to other City taxpayers.
- Total Portion denotes maximum estimated shift to City, County, and State taxpayers.

The estimated tax shift to other City taxpayers results from a calculation that assumes King County's inclusion of all new residential construction into its assessed valuation, and is further based on the following factors: the estimated residential improvement value provided by the developers at the time of application, tax rates provided by the City's Finance and Administrative Services Department, and the median residence value. In 2012, median residence value for Seattle was \$359,000.

PENDING APPLICATIONS:

There are 5 pending applications at this time, as follows:

1. 39 units located in the Eastlake Residential Targeted Area,
2. 50 units located in the University District - NW Residential Targeted Area,
3. 34 units located in the Capitol Hill Residential Targeted Area,
4. 22 units located in the North Beacon Hill Residential Targeted Area, and
5. 16 units located in the Delridge/Westwood-Highland Park Residential Targeted Area.

2012 PROGRAM SUMMARY:

- A total of 34 applications were approved during 2012.
- Those 34 applications included 3,381 total units, of which 770 will be affordable. Of those 770 units, two are provided as rent-restricted replacement units for certain existing housing demolished on-site, and 88 are further rent-restricted due to other public funding requirements. The remaining 680 units are rent-restricted by the MFTE program alone.

	Studios	1 Bedrooms	2 Bedrooms	Total
Total Units	1,594	1,380	407	3,381
Portion Affordable	389	289	92	770

- The annual estimated tax impact resulting from 2012 project applications is \$4.46 per \$1,000 of assessed value.

The attached table provides additional information about the approved 2012 projects.

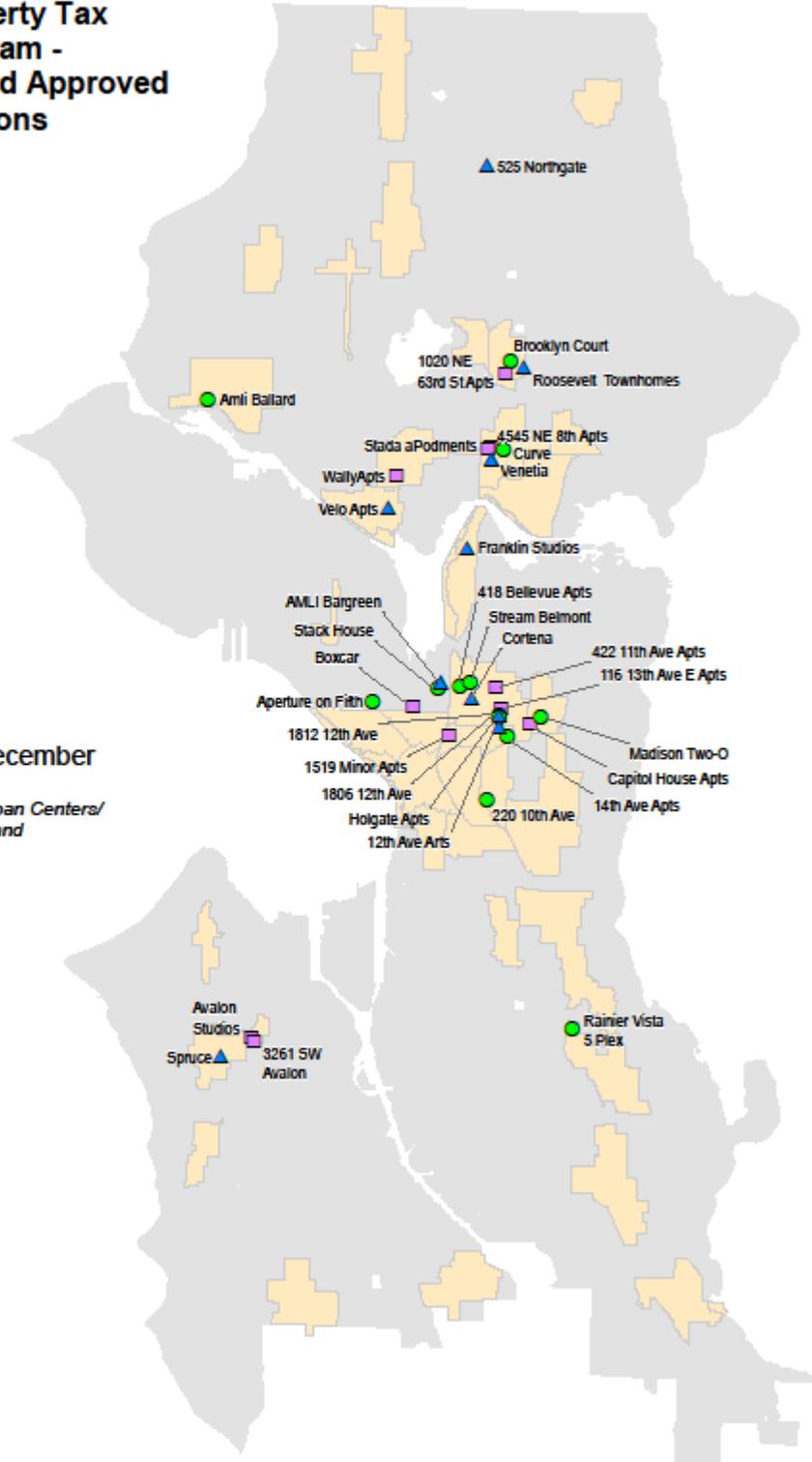
If you have any questions, please contact Miriam Roskin at 733-9077 or miriam.roskin@seattle.gov

MAP OF PROPERTIES:

Multifamily Property Tax Exemption Program - Eligible Areas and Approved Project Applications 2012

- January - April
- May - August
- ▲ September - December

Program is available in Urban Centers/ Villages, Interbay/Dravus and Delridge Valley



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